



February 3, 2021

The Honorable Maxine Waters
Chairwoman
Committee on Financial Services
United States House of Representatives
Washington, D.C. 20515

The Honorable Patrick McHenry
Ranking Member
Committee on Financial Services
United States House of Representatives
Washington, D.C. 20515

Dear Chairwoman Waters and Ranking Member McHenry:

The undersigned national associations represent for-profit and non-profit owners, operators, developers, lenders and property managers and housing cooperatives involved in the provision of rental housing, both affordable and conventional. We applaud the passage of the COVID-19 relief package signed into law in December 2020 which included important financial and emergency rental assistance relief measures for American families and businesses negatively impacted by the pandemic. As the Committee holds a hearing entitled “More than a Shot in the Arm: The Need for Additional COVID-19 Stimulus,” we are writing today to urge Congress to support efforts to ensure the continued financial viability and stability of the rental housing industry.

As you take steps to review additional stimulus measures, we ask that you take the following issues into consideration:

The American Rescue Plan

We applaud the Administration’s efforts to quickly address the health and economic concerns facing our nation with the announcement of the comprehensive “American Rescue Plan.” We greatly appreciate the recognition of the challenges facing 40 million American renters as well as the countless housing providers – urban, suburban and rural who have been affected by COVID-19. However, we urge Congress to move beyond “one size fits all” federal housing policies in favor of a more tailored approach.

The “American Rescue Plan” proposes a continuation of previously passed policies that, without change, threaten the stability of the rental housing sector and would worsen the nation’s housing affordability crisis. A protracted extension of the federal eviction moratoriums fails to address the scope of damage in the housing sector and, in contrast to rental and other assistance, won’t meet the needs of renters and housing providers.

The imposition of a broad federal eviction moratorium is not aligning with the scale and structure of rental assistance programs we are seeing emerge at the state and local level. The apartment industry faces an estimated nearly \$60 billion in lost rent for 2020 alone

according to a recent study released by the [Urban Institute](#) and authored by Mark Zandi and Jim Parrott. This shortfall threatens the stability of the rental market and pressures the industry's ability to manage hundreds of thousands of units, employ thousands of workers and make significant economic contributions in the communities where we operate.

As we approach 12 months with some sort of federal moratorium in place, the financial solvency of many in the rental housing industry, including thousands of small “mom and pop” firms, are in jeopardy. Functioning under reduced revenue for almost a year has drained reserves, caused deferred maintenance and capital improvements and placed many housing providers on the precipice of economic ruin.

Rental housing providers continue to work with their residents impacted by the pandemic by implementing rent repayment arrangements, waiving fees and connecting them with social service resources. Eviction moratoriums interfere with these good-faith efforts and housing providers' ability to ensure they have enough rental income to manage their properties. Housing providers cannot continue to shoulder the financial impacts of the pandemic without sufficient, broad-based and readily-deployed rental assistance.

With their reserves depleted and inconsistent rental income coming in, housing providers need more financial assistance to ensure that they can continue to pay payroll, utilities, mortgage payments, insurance premiums and, importantly, property taxes. Significant shortfalls in rent payments, a vast majority of which flows into other economic sectors, could have devastating impacts on communities across the country and their abilities to fund essential services.

While the recent federal COVID-19 relief package was a life preserver for the countless Americans facing financial hardship, the reach of these funds is far narrower than the scope of the CDC eviction order, both in terms of statutory income requirements and scale of aid necessary. It is particularly problematic that numerous jurisdictions are crafting rental assistance programs that far too narrowly constrain recipient eligibility in a way that seriously limits the utility of federal assistance funds. Together, thousands of housing providers and their residents will be left without aid under eviction moratoriums. In addition to the \$57 billion owed in rental arrears included in the recent Urban Institute report referenced above, the report says, “the typical delinquent renter will be almost four months and \$5,600 behind on their monthly rent and utilities.”

Therefore, we strongly support the inclusion of additional rental assistance in the “Americans Rescue Plan.” Without additional robust, direct rental assistance – beyond the newly proposed \$25 billion – housing providers may never fully recover outstanding debt – whether through the eviction process or otherwise – and the housing affordability crisis will be exacerbated in the long- and short-term. This could devastate the industry and hurt America's most vulnerable renters.

Emergency Rental Assistance Implementation Efforts

As the U.S. Department of Treasury administers the \$25 billion in Emergency Rental Assistance Program (ERAP) approved in the last COVID-19 relief package, we urge policymakers to refrain from efforts to thwart the original congressional intent of the

program and encourage Treasury and recipients of ERAP funds to implement the program in a manner consistent with congressional intent.

On January 19, the U.S. Treasury Department published [Frequently Asked Questions \(FAQ\)](#) regarding program requirements. While the FAQs answer 14 questions, providing information on participation requirements, record keeping, and definitions, we feel further clarification is needed to ensure congressional intent is acknowledged in ensuring that funds are distributed swiftly, efficiently and in a manner that allows for flexibility that gets assistance to all of those in need.

Importantly, Congress saw the great need for rental assistance across the nation and across a variety of income levels and required that 90% of the funds be used for rental and utility assistance. Attempts to divert funding away from efforts that are not intended to directly address rental and utility arrears and current rent and utility obligations are well-intentioned but will continue to threaten housing stability of millions of renters who are in great need.

In addition, it is imperative that rental assistance programs be easily executable and expeditiously administered to those in need, ensuring residents can self-certify and/or utilize attestation forms to seek assistance, rather than requiring burdensome paperwork. As important as streamlining the process is, transparency and dissemination of information on how residents and housing providers can access the funds is critical to the success of the program. A centralized portal with information on the administering entities will go a long way in ensuring that the much-needed assistance gets into the hands of eligible recipients in an efficient and timely manner.

We urge the Committee to help ensure that the implementation of the ERAP delivers on its promise. Detailed industry recommendations provided to the U.S. Treasury Department and the Department of Housing and Urban Development on January 7th and 28th are linked [here](#) and [here](#).

Housing is Infrastructure

Enact Critical Infrastructure Programs to Support A National Economic Recovery: Our requests above are critical to addressing the immediate COVID-19 crisis. Once the outbreak is contained, however, the nation will need to turn its focus to the task of rebuilding the economy and putting Americans back to work. A major infrastructure package that includes housing as a core element could help address several housing development and construction challenges created or exacerbated by this crisis, while furthering the nation's economic recovery.

Construction shutdowns, shortages of labor and materials, supply chain disruptions, financial uncertainty, shifting lending and transactional requirements and indefinite delays on land transactions and project entitlements are major obstacles for housing development and rehabilitation projects underway nationwide.

New mechanisms and federal incentives are immediately needed to avoid a deepening of America's housing affordability crisis. The rental housing industry can play a valuable role in this effort. As you consider infrastructure initiatives, we urge the inclusion of measures that support the interconnectivity between housing and infrastructure and promote housing development at all income levels, including:

- Investing in housing and infrastructure that includes solutions to address the nation's most pressing housing challenges;
- Incentivizing localities to reduce barriers and adopt policies to encourage private sector investment in housing;
- Reduce regulatory barriers and invest in programs that have proven to increase voluntary property owner participation in the Section 8 Housing Choice Voucher (HVC) Program.

As we wait for vaccine distribution to hit a critical mass and ensure we can fully resuscitate recovery efforts, we need your help to close the growing gap of tens of billions in rental debt that accumulated in 2020 and to pause on long-term extensions of eviction moratoriums. The economic recovery of our communities depends on it. We remain committed to ensuring that the 40 million families who rent have a safe, secure place to call home and we stand ready to work with Congress and the Administration to provide the assistance necessary to meet the challenges of the COVID-19 crisis. Please do not hesitate to contact us with questions or if we can serve as a resource on housing policy issues.

Sincerely,

CCIM Institute
 Council for Affordable and Rural Housing
 Institute of Real Estate Management
 Manufactured Housing Institute
 Mortgage Bankers Association
 National Affordable Housing Management
 Association

National Apartment Association
 National Association of Home Builders
 National Association of Housing
 Cooperatives
 National Association of REALTORS
 National Leased Housing Association
 National Multifamily Housing Council

cc: The Honorable Marcia Fudge
 The Honorable Janet L. Yellen
 CDC Director Rochelle P. Walensky, MD, MPH